

Arizona Department of Revenue



Publication AZ-1346

Software Developer's Manual

A Supplement to Publication AZ-1346A – Record Layouts and Specifications

TAX YEAR 2004

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Section 1 – E-File Highlights/Changes for Tax Year 2004

AZ-8453

Arizona will no longer require the AZ-8453 Arizona Individual Income Tax Declaration for Electronic Filing to be filed with the department. Refer to AZ-8453 section (page 8) for details.

Acknowledgements

Effective with the 2004 Tax Year, Arizona will participate in the Fed/State Acknowledgment Program. It will no longer be necessary to sign-up with a separate provider to receive your Arizona acknowledgements. In addition, an acknowledgement and refund inquiry system will be available beginning January 2005, at www.azdor.gov

Conditional Acceptance

This category of acknowledgements has been eliminated. All e-filed returns will be acknowledged only as accepted (A) or rejected (R). Rejected acknowledgements will still be accompanied by an explanation code indicating the reason for the rejection.

AZ-8879

This is the previously unnumbered E-File Signature Authorization Form. It now has a number to correspond to the federal form of the same name. Refer to AZ-8879 section (page 8) for details.

Registration

ERO's are no longer required to submit a separate register to e-file with Arizona. Arizona now accepts the IRS approval.

Alerts and Information

In order to receive updates and notices you will need to supply an email address. This is done by sending an email to efile@azdor.gov. Please put "subscribe" in the message subject.

Credit Forms

All credit forms are now eligible for Arizona E-File. Software Providers will be able to provide a list of forms supported

Married Filing Separate

Arizona now accepts MFS filed returns on the same basis as the IRS. A copy of the federal Allocation Record must accompany the transmission of the Arizona data.

Section 2 – Program Introduction & Participation

This publication provides information necessary for the development of software intended for use by businesses and individuals in electronically filing Arizona Individual Income Tax returns. Our goal is to maintain open lines of communication to assure the **success** of your software and the electronic filing program for the state of Arizona.

You are invited to contact us with any question or comment you have regarding our electronic filing program.

Steve Lee, E-File Project Manager @ 602 716-6514
Donna Muccilli, E-File Administrator @ 602 716-6513
Fax: 602 716-7997

Email: efile@azdor.gov

Mailing Address:

Arizona Department of Revenue
Office of Electronic Filing, Room 100
1600 West Monroe Street
Phoenix, Arizona 85007-2650

Web Address: www.azdor.gov

The Arizona Department of Revenue's website may be accessed for E-File updates including Publication AZ-1346A "Arizona Department of Revenue File Specifications and Record Layout", tax forms, form instructions and additional information covering a broad range of tax-related topics.

Application to Participate - The following information must be provided before transmissions will be accepted for testing:

1. Internal Revenue Service assigned EFINS/ETINs (test and production)
2. Contact person(s) – name, telephone number, email address
3. TY 2004 Arizona forms supported for E-File
4. Arizona items and forms NOT supported for E-File (Items such as Arizona e-sign, State-Only return transmissions, Direct Deposit/Debit, etc.).
5. Software Developer Code (Alpha/Numeric Section, Field 0300). Provide a separate code for each software product (web-based, professional desktop or desktop individual taxpayer).

Information may be faxed or emailed. Receipt and acceptance of the required documentation identifies the developer as interested in participating in the federal/state electronic filing program for Arizona. It provides the opportunity to initiate developing, testing and obtaining software approval with the Arizona Department of Revenue. It does not represent acceptance of any software nor does it confirm the accuracy of any software developed. Refer to IRS Publication 1345 for information regarding acceptance and participation in the federal/state electronic filing program.

Section 3 – Software Requirements

Arizona participates in the federal/state electronic filing program, therefore any software developed must meet **all** federal **and** state requirements. The following guidelines compliment IRS and Arizona publications and are not intended to alter or amend the IRS requirements.

1. Comply with all federal and state requirements specified in the following publications:
IRS Publications 1345 and 1345A.
IRS Publication 1346.
Arizona Handbook AZ-1345.
Arizona Publication AZ-1346 – Software Developer’s Manual Tax Year 2004.
Arizona Publication AZ-1346A – Record Layout & File Specifications Tax Year 2004.
2. Adhere to all federal and state procedures, requirements and specifications; successfully complete all testing.
3. Develop tax preparation software in accordance with statutory requirements and Arizona Department of Revenue return preparation instructions.
4. Provide accurate Arizona income tax returns in correct electronic format for transmission **with** the Federal return to the Internal Revenue Service Center.
5. Software is to be capable of producing a printed copy of the complete filing for the Electronic Return Originator (ERO) and/or taxpayer.
6. Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate or invalid return information.
7. Developed software is not to support electronic filing (transmission) of any form not approved for electronic filing by the Arizona Department of Revenue.
8. Developed software must prevent electronic transmission of returns and/or supporting documents or schedules not approved for electronic filing by the Arizona Department of Revenue. This is inclusive of those not supported for electronic filing as well as those supported but not successfully tested and approved by the Arizona Department of Revenue.

Section 4 – Forms Available for Electronic Filing

The Arizona Department of Revenue's External Services and Special Projects Division must approve Arizona substitute tax forms included in software. Address inquiries and requests for tax form approval to:

Attn: Forms - Bob Williams
Mailing Address: Arizona Department of Revenue
1600 West Monroe – Room 810
Phoenix, Arizona 85007

Telephone Number: 602-716-6801

Primary Tax Forms - Both refund and payment due returns may be filed electronically. The primary personal income tax returns available for electronic filing consist of the following form types:

- 140 - Resident Personal Income Tax Return
- 140A - Resident Personal Income Tax Return (Short Form)
- 140EZ - Resident Personal Income Tax Return (EZ Form)
- 140PY – Part-Year Resident Personal Income Tax Return
- 140NR - Nonresident Personal Income Tax Return

Supporting Forms - Supporting forms available for electronic filing that supplement the primary tax forms consist of the following types. These forms **MUST** be transmitted when required/utilized for return preparation and filing.

- Federal 1040 Schedule A - Itemized Deductions
- 140 Schedule A - Arizona Itemized Deduction Adjustments
- 140PY A(PY) - Itemized deductions for Part-Year Resident
- 140PY A(PYN) - Itemized deductions for Part-Year Resident with Nonresident Income
- 140NR A(NR) - Itemized deductions for Nonresident
- 131 - Claim for Refund on Behalf of the Deceased Taxpayer
- 221 - Underpayment of Estimated Tax by Individuals (See Section 8 for Calculation Criteria)

Credit Forms - Arizona credit forms available for electronic filing consist of the following types. These forms **MUST** be transmitted when they are utilized/required for return preparation and filing.

- 301 - Nonrefundable Individual Tax Credits and Recapture
- 302 - Defense Contracting Credit
- 304 – Enterprise Zone Credit
- 305 – Environmental Technology Facility Credit
- 306 – Military Zone Reuse Credit
- 307 – Recycling Equipment Credit
- 308-I – Credit for Increased Research Activities
- 309 - Credit for Taxes Paid to Another State or County
- 310 - Credit for Solar Energy Devices
- 312 – Agricultural Water Conservation System Credit
- 313 – Carryover of Alternative Fuel Vehicle (AFV) Credit
- 314 – Underground Storage Tanks Credit
- 315 – Pollution Control Credit

- 316 – Construction Materials Credit
- 319 – Credit for Solar Hot Water Heater Stub Outs and Electrical Vehicle Recharge Outlets
- 320 – Credit for Employment of TANF Recipients
- 321 - Credit for Contributions to Charities That Provide Assistance to the Working Poor
- 322 - Credit for Fees Paid to Public Schools
- 323 - Credit for Contributions to School Tuition Organizations
- 325 – Agricultural Pollution Control Equipment Credit
- 326 – Carryover of Credit for Alternative Fuel Delivery Systems
- 327 - Carryover of Vehicle Refueling Apparatus Credit
- 328 – Neighborhood Electric Vehicle (NEV) Credit
- 329 – Employer Credit for Technology Training
- 330 – Credit for Taxpayers Participating in Agriculture Preservation District
- 331 - Credit for Donation of School Site

Tax Withheld Forms - Forms identifying tax withheld (i.e. W-2, W-2G and 1099 category type forms) are to be transmitted only when an amount for state withholding exists. Refer to the federal specifications for layout information.

Electronic Filing Forms - The following forms are required for electronic filing. They are not to be transmitted electronically and are not to be mailed unless otherwise stipulated.

AZ-8879 E-File Signature Authorization Form - In some cases a taxpayer may wish to electronically sign the state return, but are unable or unavailable to return to the ERO's office to sign the electronically prepared state return. These taxpayers may be provided the option to authorize the ERO to enter their election by signing a *completed* E-File Signature Authorization Form. The taxpayer must review their return and sign this form before the return can be electronically transmitted. This document must be retained by the ERO for a period of 4 years from the time the return is filed.

AZ-8453 Arizona Individual Income Tax Declaration for Electronic Filing - A mandatory requirement of the E-File program is the Form AZ-8453 – Arizona Individual Income Tax Declaration for Electronic Filing. The taxpayer must review their return and sign Form AZ-8453 before the return is electronically transmitted. Form AZ-8453 (commonly referred to as the signature document) authenticates the return and authorizes the ERO to electronically transmit the return. It also authorizes the ERO to make certain inquiries into the status of the transmission and return on behalf of the taxpayer.

The ERO and taxpayer must retain the signed AZ-8453 for a period of four years after the return is filed.

The **only** condition under which the AZ-8453 **must be mailed** to the Department is:

1. The ERO office is a VITA or TCE/AARP site. The AZ-8453 and all attachments must be mailed to the Department.

The ERO and paid preparer must both sign the AZ-8453. If the ERO is the paid preparer, the preparer's signature and business information is only required in the ERO section. The ERO should be urged to obtain original taxpayer signatures on two AZ-8453s. The first for submission to the DOR, in case submission is required, and the second maintained by the ERO should the first AZ-8453 as a backup or the state return rejects and a paper return is subsequently required.

When submitting the AZ-8453, all other documents that make up the non-electronic portion of the return are to be attached to the back of Form AZ-8453. These include:

1. The State copy of all W-2 and 1099 Forms identifying Arizona Tax Withheld;
2. Informational documents and worksheets included by the taxpayer as supporting material.

When required, mail the AZ-8453 and attachments to:

Arizona Department of Revenue
AZ-8453 Processing
P.O. Box 29062
Phoenix, Arizona 85038-9062

AZ-140V Arizona Individual Income Tax Payment Voucher for Electronic Filing - When the Arizona return results in a balance due (field 585 of the formatted record), the AZ-140 V is to be produced in hardcopy form with all applicable fields completed. A taxpayer reminder should be provided stating it is necessary to pay any amounts owed by April 15, 2005 to avoid penalty and interest. Payment together with the AZ-140V is to be mailed to:

Arizona Department of Revenue
AZ-140V
P.O. Box 29237
Phoenix, Arizona 85038-9237

Section 5 – Exclusions From Electronic Filing

The following form and types of returns are excluded from Arizona E-File program:

1. Forms not listed under Section 3, "Returns Available for Electronic Filing"
2. Any year other than Tax Year 2004
3. Non-calendar year returns
4. State returns having a different filing status than that on the federal return
5. State returns having a different "Federal Adjusted Gross Income" than that provided on the federal return
6. State returns that include or are filed on behalf of a deceased taxpayer by someone other than the surviving spouse
7. Amended returns for all tax years including 2004
8. Extension Requests
9. Estimated Payments
10. Fiduciary Returns
11. State-Only (SO) returns for which a federal return was not completed.

Section 6 – PATs Testing

Testing of software developed for electronic filing is mandatory. All software must be tested using state scenarios. The following information must be provided before Arizona will accept test transmissions:

1. Internal Revenue Service assigned EFINS/ETINs (test and production)
2. Contact person(s) – name, telephone number, email address
3. TY 2004 Arizona forms supported for E-File
4. Arizona items and forms NOT supported for E-File (Items such as Arizona e-sign, State-Only return transmissions, Direct Deposit/Debit, etc.).
5. Software Developer Code (alphanumeric Section, Field 0300). Provide a separate code for each software product (web-based, professional desktop, or desktop individual taxpayer).

IMPORTANT NOTICE

The Arizona Department of Revenue strives to approve software applications in a timely fashion. Occasionally a test will need to be reviewed more than once to assure that our standards are met. This, combined with a late submission of test materials, may cause delays in approving your software. To avoid such delays, the Arizona Department of Revenue encourages developers to submit their tests by January 7, 2005 in order to complete the approval process prior to the beginning of the live E-File transmission date.

Developers will be given formal confirmation when software has been successfully tested for electronic filing. Only approved software may be released and distributed by the developer. Specifications, record layouts and test scenarios are available on the Arizona Department of Revenue website www.azdor.gov. Test scenarios will incorporate/utilize the federal test scenarios. Exceptions to the federal scenarios will be noted within the state's test segment. Testing is to include retrieval of state acknowledgements. Refer to Section 7 for particulars.

It may not be necessary to submit test returns for all test scenarios. For details involving scenario adjustments if your software will not be supporting all items and forms call the Office of Electronic Filing at 602-716-6514 or 602-716-6513.

Any developer wishing to conduct testing in addition to the scenarios supplied and required by the Arizona Department of Revenue must obtain approval to do so prior to test submission.

NOTE: Approval of software for electronic filing **does not** include approval of any form developed/produced for hardcopy submission to the Arizona Department of Revenue. The External Services and Special Projects Division of the Department of Revenue must approve all Arizona tax forms. Refer to Section 3, Page 5.

Section 7 – Error Detection and Notification

Error Detection

The Arizona Department of Revenue will immediately notify the developer when it detects a software problem or error. Likewise, software developers are required to immediately notify the department of problems or errors associated with the software or its use. Such notifications are to be made by e-mailing the Office of Electronic Filing staff at efiile@azdor.gov.

When a software error is identified, it is the responsibility of the software developer to immediately notify their user population, correct the problem, and expeditiously distribute the appropriate software revision (correction) to their clients. Additionally, the Arizona Department of Revenue is to receive immediate notification of all software errors and problems. The Department is to be advised when corrections are made and supplied with the related software version number and release date. The department must be kept advised of all software versions (identification number and distribution date) distributed to the E-File community.

Section 8 – State Acknowledgements

The Arizona Department of Revenue utilizes the fed/state acknowledgement program.

The Arizona Department of Revenue will utilize a 120-byte acknowledgement file for the 2004 tax year. The record layout for the 120-byte record can be found in “Arizona 120-Byte Acknowledgement Record for Tax Year 2004”. NOTE: By including the Arizona acknowledgement process in the software, the Arizona Department of Revenue does not intend to restrict distribution of software to EROs transmitting directly to IRS.

The Arizona Department of Revenue makes no post-retrieval alterations to the acknowledgement record.

The purpose of the state acknowledgement is to confirm the Arizona Department of Revenue successfully received a transmitted return. It is not intended to convey or indicate that the received return is accurate or is error-free.

Arizona uses a “Received-Accepted” or “Received-Rejected” acknowledgement system.

A “Received-Accepted” acknowledgement indicates the electronic return was received and successfully completed the pre-entry validation process. No further action is forthcoming regarding the transmission.

A “Received-Rejected” acknowledgement indicates the electronic return was received, but failed to successfully complete the pre-entry validation process. The “Received-Rejected” acknowledgement will contain an error code indicating the error causing the rejection. The error condition must be corrected, after which the return can be re-transmitted as a “State-Only” return, or submitted as a paper return. Error codes and their descriptions are referenced in document “Arizona E-File Validation Errors for Tax Year 2004” (<http://www.azdor.gov/e-gov/developers/validationerrors.pdf>)

Error codes and descriptions are referenced in document “Arizona E-File Validation Errors for Tax Year 2004”

The E-File Handbook will be available through our web site www.azdor.gov. Periodically review the site to assure you remain current with the E-File updates.

Section 9 –Layout Instructions

The following provides instructions pertinent to AZ 1346A. Please direct any questions to us by utilizing the contact list provided in Section 1 of this manual. Note: Arizona Electronic Signature appears at the end of this section.

GENERIC RECORD

All numeric fields are to be right justified with zeros to the left of the significant digits. All digits / numerics must be entered.

State Only Indicator (SO).

Field 0019

The federal return must be completed before transmitting an Arizona “SO” return.

Direct Debit /Direct Payment.

Field 0024, 0030, 0035, 0040, 0048.

Direct Debit is not offered / provided on paper returns for Tax Year 2004. If an electronically filed return is rejected and a paper return is required, the direct debit is voided. The AZ 140V payment form must accompany payment. Failure to include the AZ 140V may delay proper payment application.

Hardcopy documentation for the ERO /Taxpayer detailing the Direct Debit election is required. Information is to include the taxpayer(s) name and SSN(s), debit amount, routing number, account number and type, ERO (EFIN) and date.

Direct Deposit.

Field 0024, 0030, 0035, 0040, 0048.

Direct Deposit is offered / provided on paper returns for tax year 2004. Related information is to be included on the return as documentation of the election.

ALPHA NUMERIC SECTION

Field 0305 through Field 0320

All numeric fields or numeric field segments must be zero/blank-filled when there is no value or entry for that field.

All alpha and alpha/numeric fields must be blank filled if no entry.

Form Number should be left justified with spaces to the right of the form number (e.g. ‘140bbb’, ‘140Pyb’).

Field 0305

Position 13 – “Filing Status”

Field segment size is 1 numeric character. Only “1”(Married Filing Joint), “2”(Head of Household), “3”(Married Filing Separate), or “4”(Single) are valid.

Field 0305 continued

Positions 29 through 40 - "Credit Boxes".

Field segment size is 12 numeric characters. Up to 4 credits may be identified, each consisting of 3 characters. If there are no credits involved, 3 "zeros" must be entered for each credit totaling 12 numeric characters for that field segment. Only those credit types supported for Arizona Electronic Filing are valid entries. A valid entry can be any combination of "309", "310", "321", "322", "323", or "000" totaling not more or not less than 12 characters. Example: Given credit 309; the field segment would be "309000000000".

Positions 53-60 - Electronic Funds Withdrawal (Direct Debit) Date

Arizona strictly prohibits a Direct Payment/Direct Debit date later than April 15, 2005 on a return that is transmitted before April 15, 2005. Timely filed returns with a Direct Payment/Direct Debit date later than April 15, 2005 will be rejected. If a date is not elected on a return transmitted before April 15, 2005 or if a return is transmitted on or after 20050415, default to original transmission date.

Taxpayer may elect a future date if the return is transmitted **before** April 15, 2005. That "Future Date" may not exceed "20050415". If a "Future Date" is not elected or when a return is transmitted on or after April 15, 2005; this date is to default to the transmission date. If a non-banking day is selected, the withdrawal will occur on the next banking day.

Positions 65-72 - AZ Residency "From/To" Date.

Field segment size is 8 numeric characters (MMDDMMDD) and indicates the beginning & ending month and day dates the taxpayer was an Arizona resident. Applicable to Form 140PY. Not valid for the other AZ forms.

Positions 73-80 - Other States of Residency.

Utilize standard 2 digit state abbreviations. Applicable to Form 140PY. Not valid for the other AZ forms.

Field 0310

Positions 01-04 - E-Signature

1. The first position/character, "Fed Return E-Signature", indicates if the federal Self-Select PIN was used for the federal return. This must be present for all returns. If "Y" (Yes), the taxpayer may elect to (or not to) electronically sign their Arizona return. If "N" (No) then the taxpayer, spouse, or ERO cannot select "Y" (Yes).
2. The second position/character is "AZ E-Signature Filer" and contains the "Y" (Yes) or "N" (No) entry (election) of the filer to use their federal electronic signature as their electronic signature for their state return. This position must be "N" when the Fed Return E-Signature (previous position) is "N".
3. The third position/character is "AZ E-Signature Spouse" and contains the "Y" (Yes) or "N" (No) entry (election) of the spouse to use their federal electronic signature for their state return. This position must be "N" when either of the first 2 positions is "N". This position must be **blank** when the AZ E-Signature Filer (previous position) is "Y" and the return's filing status is *NOT* Married Filing Joint (Field# 0305, Position 13 ="1"). A "Y" entry for a MFJoint filing status return is only permitted when the first two positions are both "Y".

4. The fourth position/character is “ERO E-Signature” and identifies the “Y” or “N” entry (election) of the ERO to use their federal electronic signature for the state return. A “Y” is not valid if any of the first 3 positions is “N”.

The fifth through eleventh characters are “Filler” and are reserved for future use.

SIGNED NUMERIC SECTION

Field 0445

“Clean Elect Reduction”. Value cannot be greater than \$5 for Single, Head of Household, Married Filing Separate or Married Filing Joint if Field 305, position 46 is “Y”. Value cannot be greater than \$ 10 if Field 305, position 46 and 47 are “Y” for Married Filing Joint only.

Field 0465

“Tax Minus Credits”. Value cannot be less than zero. Removed from Form 140EZ specifications

Field 0475

“Balance of Tax”. Value cannot be less than zero.

Field 0500

“PTC Credit”. Form 140PTC is not offered for Arizona E-File. Field is to be zero-filled.

Field 0535

“Aid to Education Contrib.” A contribution to the Aid to Education Fund can only be made for the full amount of Field 0520 (refund produced by the Overpayment), or Field 0530 when the taxpayer elects to apply a refund portion to “Next Year’s Estimated Pmt” (field 0525). When this contribution is elected, no other contribution can be made.

Field 0540 through Field 0570

Contributions - Various. Total amount of a contribution or a combination of contributions cannot exceed the amount of the Overpayment produced by the E-File return (Field 0520). However, if the taxpayer elects to make a payment through Direct Debit (Electronic Funds Withdrawal), they may contribute:

1. an amount equal to the amount in Field 0530 plus the Direct Debit amount when a refund return or,
2. an amount equal to the Direct Debit amount less the amount in Field 0515 (Tax Due) when a tax due return.

Field 0590

“Amount Owed”. When this field has an amount greater than “Zero” and a Direct Debit payment *in full* is not elected; Arizona Form 140V is to be generated for the taxpayer with the instruction to send the form together with their payment to AZDOR. The taxpayer is also to be advised payment must be postmarked by the due date, otherwise penalties and interest will be charged.

Field 595

Direct Debit Amount. Payment amount elected by the taxpayer. By electing to pay through Direct Debit (Electronic Funds Withdrawal), the taxpayer asserts funds are available for the amount entered. If funds are not available when the withdrawal is effected by the Arizona Department of Revenue, penalties and interest may be assessed.

UNFORMATTED RECORD

Only Arizona Schedules A, ANR, APY & APYN; Arizona Credit forms, W-2 & 1099 series forms, and the federal Schedule A/B are to be part of the Unformatted Record.

FORM 221 PENALTY CALCULATION CRITERIA

Form 221 The decision to automatically calculate the penalty for Underpayment of Estimated Tax is to be based on the following criteria and is calculated against the Arizona Adjusted Gross Income appearing in Field 0405 of the Generic Record.

1. For a filing status of **Single, Married-Filing Separate** or **Head of Household**:
 - If the Arizona Gross Income (AGI) is NOT more than \$75,000, no penalty will be assessed.
 - If the Arizona Gross Income (AGI) is MORE than \$75,000, *Form 221 must be completed* to determine the penalty amount (if applicable).
2. For a filing status of **Married-Filing Joint**:
 - If the Arizona Gross Income (AGI) is NOT more than \$75,000 for *each* spouse, NO penalty will be assessed.
 - If the Arizona Gross Income (AGI) is MORE than \$75,000 for *either* spouse, *Form 221 must be completed* to determine the penalty amount (if applicable).

NOTE: Due to exceptions in Arizona law, the tax preparer or taxpayer may be required to calculate this penalty exclusive of the forgoing. Software is to permit and provide for this exception. This form, when utilized, must be transmitted with the return.

ARIZONA ELECTRONIC SIGNATURE

When a taxpayer elects to participate in the federal electronic signature program and self selects a PIN, they may also elect to utilize the same signature authentication for their state return. When doing so, each taxpayer must personally enter (affirm) their election. The ERO must also electronically stipulate they are using their ERO federal signature for the state return. The Arizona electronic signature consists of *affirmations* on the part of the taxpayer and ERO and does not involve a "PIN" transmission.

- It is a legal requirement that the taxpayer and ERO must be presented with and view the AZ-8453 information defined under "Electronic Signature Execution" before making their affirmations.
- An electronic signature may be used when filing an Arizona form 140, 140A, 140EZ, 140NR, or 140PY.
- An electronic signature may not be used in lieu of Form AZ-8453 when the AZ-8453 is required to transmit attachments to the Arizona Department of Revenue.
- An Arizona electronic signature is invalid when the federal electronic signature is or becomes invalid.
- An electronic signature is invalid when a State-Only (SO) transmission is involved.

ELECTRONIC SIGNATURE EXECUTION

Part I. Tax Return Information

INSTRUCTION - Display AZ-8453, Part I - Tax Return Information Data:

1. Arizona Adjusted Gross Income (e.g. Form 140, line 16 see form for others)
(display whole dollars)
2. Balance of Tax (e.g. Form 140, line 16 see form for others)
(display whole dollars)
3. Arizona Income Tax Withheld (e.g. Form 140, line 32 see form for others)
(display whole_dollars)
4. Refund (e.g. Form 140, line 55 see form for others)
(display whole dollars)
5. Amount You Owe (e.g. Form 140, line 16 see form for others)
(display whole dollars)

Part II. Declaration of Taxpayer

1. INSTRUCTION - Display the following language:

Because you have elected to electronically sign your 2004 federal individual income tax return, you have the option of using your electronic signature for your 2004 federal individual income tax return as your signature for your 2004 Arizona individual income tax return. If you elect to use your electronic signature for your 2004 federal individual income tax return as your signature for your 2004 Arizona individual income tax return, you are signing your 2004 Arizona individual income tax return and making the following declaration:

2. INSTRUCTION - Display AZ-8453, Part II – Declaration of Taxpayer – Display 6a if taxpayer selects 6a OR 6b if taxpayer selects 6b:

6a I consent that my refund be directly deposited as designated in the electronic portion of my 2004 Arizona individual income tax return. If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to receive the refund.

OR

6b I do not want direct deposit of my refund **or** I am not receiving a refund.

OR

6c I authorize the Arizona Department of Revenue (DOR) and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Arizona taxes owed on this return. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolves issues related to the payment.

3. INSTRUCTION - Display Balance of AZ-8453, Part II – Declaration of Taxpayer:

If I have filed a balance due return, I understand that if the Arizona Department of Revenue (DOR) does not receive full and timely payment of my tax liability by April 15, 2005 I will remain liable for the tax liability plus all applicable interest and penalties. Since I have jointly electronically filed my federal and state tax returns, I understand that if there is an error on my federal return, the electronic portion of my state return will also be rejected. Under penalties of perjury, I declare that the information I have given my Electronic Return Originator (ERO) or On-Line Service Provider (OLSP) and the amounts in Part I above agree with the amounts on the corresponding lines of the electronic portion of my 2004 Arizona income tax return. To the best of my knowledge and belief, my return is true, correct, and complete. I consent to my or OLSP sending my return and accompanying schedules and statements to DOR, and I consent to my

or OLSP sending such information to DOR through a transmitter. I consent to DOR sending my , OLSP and/or transmitter an acknowledgement of receipt of transmission and an indication of whether or not the transmission of my return is accepted, and, if the return is rejected, the reason(s) for the rejection. If the processing of my return or refund is delayed, I authorize DOR to disclose to my , OLSP, and/or transmitter the reason(s) for the delay, or when the refund was sent. If DOR contacts my for a copy of my return, any attachments or schedules to my return, and/or this executed Form AZ-8453, I authorize my to release copies of the requested documents to DOR.

4. INSTRUCTION - Display the following language:

I elect to use my electronic signature for my 2004 federal individual income tax return as my signature for my 2004 Arizona individual income tax return.

[Taxpayer Name (*generated*)] _____ SSN [*generated*]
_____ Yes___ No___ [Entry to be made by taxpayer]

[Spouse Name (*generated*)] _____ SSN [*generated*]
_____ Yes___ No___ [Entry to be made by spouse]

Part III. Declaration of Electronic Return Originator and Paid Preparer.

1. INSTRUCTION - Display the following language:

Because the taxpayer for whom I have prepared this electronic return has elected to use the taxpayer's electronic signature for the taxpayer's 2004 federal income tax return to sign the taxpayer's 2004 Arizona tax return; by checking the box below, I am affirming that my electronic signature to the taxpayer's 2004 federal individual income tax return will act as my signature to the taxpayer's 2004 Arizona individual income tax return. I understand that by checking the affirmation box, I am signing the taxpayer's 2004 Arizona individual income tax return and making the following declaration:

2. INSTRUCTION - Display AZ-8453, Part III – Declaration of Electronic Return Originator (ERO) and Paid Preparer:

I declare that I have reviewed the above taxpayer's return and that the entries on Form AZ-8453 are complete and correct to the best of my knowledge. The taxpayer will have electronically signed the taxpayer's tax return before I signed this return. I will give the taxpayer a copy of all forms and information to be filed with the Arizona Department of Revenue. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

ERO Name [*generated*] _____ SSN/EIN [*generated*] _____
Affirm: Yes___ [Entry to be made by ERO]

